(2) Continu OGL import policy for selected essential commodities such as sugar, edible oils, pulses and low fat milk powder at nil or reduced duty.

(3) Import of edible oils on Government account for supply through PDS.

(4) Strive to contain fiscal deficit in the Budget for 1996-97 to 5 per cent of GDP.

(5) Containing monetary growth to 15.5 - 16.0 per cent in 1996-97 through prudent monetary policies.

(6) Maintaining a liberal import policy, combined with reduction in import duties for most commodities.

Establishment of CSF

*56. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India recommended the establishment of a Consolidated Sinking Fund (CSF) to separate fresh Government Borrowings from repayments;

(b) if so, the reasons therefor; and

(c) the action taken/proposed to be taken thereon;

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). As a follow up on a recommendation made by the Tenth Finance Commission, the Government has been examining the matter regarding feasibility of setting up of Sinking Funds for redemption of Public Debt in consultation with the RBI. No. final decision has been taken in this regard.

Indo Russian Trade Relation

*57. SHRI PANKAJ CHOUDHARY :
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have taken any step to promote Indo-Russian Trade relation;

(b) if so, the details thereof alongwith the agreement signed, if any, by both the Governments in the matter;

(c) the areas in which trade were under operation in the past; and

(d) the new areas identified now for expansion of trade between both the countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Both the Governments are interacting on regular basis towards enhancing bilateral trade and economic cooperation. Following the signing of the Trade and Economic Cooperation Agreement in 1992 and creation of the bilateral Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation, a series of Agreements between the two countries have been signed and a number of institutional mechanisms have been set up to promote trade and economic cooperation. The Agreements signed include Arrangement between Bank for Foreign Economic Affairs (BFEA) and the Reserve Bank of India (RBI) governing exports under the debt repayment route. Besides, the two sides have entered into the understanding on Long Term Purchases of certain commodities by the Russian Agencies from the debt repayment fund and bitlateral Investment Protection. In order to further encourage Indo-Russian Trade, Government is trying to set up Indian Warehouses for promoting consignment exports under the debt repayment route and ensuring greater presence of Indian banks in Russia. Similarly, Russian side is also being impressed upon to extend adequate rupee allocation to the reliable Russian importers so that Indian goods can be absorbed in greater measure in Russian markets. For encouraging quality pharmaceutical exports from India to Russia, an Indo-Russian Working Group on Pharmaceuticals has been set up

(c) and (d). Before break up of the erstwhile USSR imports and exports with former USSR were conducted under a balanced annual Rupee Trade Plan. After the break up, Indo-Russian trade is moving largely through the debt repayment track as well as in a small measure under hard currency.

India and Russia share traditional partnership in trade exchanges and economic cooperation covering a number of areas. The volume of trade which had declined during 1992 and 1993 following the break up of USSR, has reached a volume of over USD 2 billion in 1995. With diversification of economic cooperation, the volume of bilateral trade is likely to grow further. The major items of our export basket include tea, coffee, soyameal, pharmaceuticals, textiles, chemicals, chashewnuts, fruit juices etc. and import basket from Russia mainly include fertilisers, newsprint, ferrous and non-ferrous metals.

Irregularities in grant of Bank Loans

*58. SHRI VIJAY PATEL :
SHRI ANNASAHIB M.K. PATIL :

Will the Minister of FINANCE be pleased to state :

(a) the details of cases of irregularities in giving bank loans under Prime Minister's Rozgar Yojana (PMRY) came to the notice of the Government during 1995 and 1996 so far;

(b) the action taken or proposed to be taken against the guilty; and

(c) the measure proposed to be taken to check recurrence of such cases?